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5 *Attorneys for Z & D Realty, LLC*

6 UNITED STATES DISRICT COURT FOR THE DISTRICT OF NEW JERSEY

7 CAMDEN DIVISION

8
9 HARTORD MUTUAL INSURANCE
10 COMPANY,

Case No.: 1:19-cv-01583

11 Plaintiff,

AFFIDAVIT OF MERIT

12 vs.

13 Z&D REALTY, LLC, AND DENNIS
14 COSBY, AND EUGENE COSBY, AND
15 TERRY R. MAYES, AND ZIGGY
16 DOBKOWSKI, AND DIANE
DOBKOWSKI, AND RAHEEM
MCCLENDON

17 Defendants

18 And

19 Z&D REALTY, LLC and ZIGGY
20 DOBKOWSKI and DIANE DOBKOWSKI

22 Defendants/Third Party
23 Plaintiffs

24 vs.

25 BIONDI INSURANCE AGENCY, INC.,
26 and ANATOLY SAKHAN

27 Third Party Defendants

28 AFFIDAVIT OF MERIT - 1

1 STATE OF NEW JERSEY:

2 :ss

3 COUNTY OF OCEAN:

4 James R. Klagholz, CPCU, of full age, being duly sworn according
5 to law, upon my oath dispose and say:

6 1. My name is James R. Klagholz. I am an independent insurance agent, duly
7 licensed by the State of New Jersey as an insurance producer, pursuant to N. J. S.
8 A. 17:22A-1 et seq., and I am qualified to transact business in all lines of
9 property and casualty, life and accident and health insurance, and have been so
10 qualified for at least five years. I am also licensed as a non-resident producer in
11 the Commonwealth of Pennsylvania. For at least five years, I have practiced full
12 time as an insurance producer.

13 2. I currently hold the position of President of Clayton N. Sterling Associates, Inc.
14 an independent insurance agency and consulting firm located at 1712 Boulevard,
15 Seaside Park, NJ 08752. My responsibilities include overall management and
16 operation of an independent insurance firm, including supervision of
17 underwriting activities, policyholder services, claim settlement practices, and
18 other insurance activities related to the procurement of all forms of insurance.
19 In addition to my experience in general insurance agency practice, I provide
20 consulting and risk management services to commercial entities. In doing so, I
21 evaluate issues involving insurance policy terms and conditions from an
22 underwriting and claims handling prospective, and in the handling of renewal
23 placement coverage.

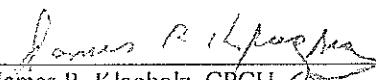
24 3. My resume is attached as Exhibit A and made a part of this Affidavit of Merit.

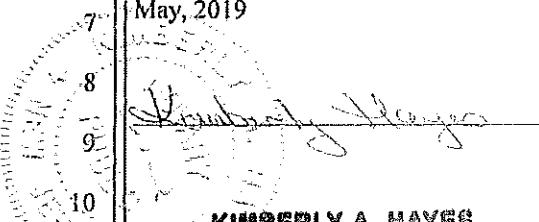
25 4. I have reviewed certain documents in this matter, including Plaintiff's Complaint,
26 Hartford Mutual Insurance Company policy # 9157994 for the period January 3,

2017- 2018, showing the occupancy of the subject property as an apartment building with four (4) apartments and office/mercantile buildings or premises leased to other with an exposure basis of 4,067 square feet of space excluding the four (4) apartments, November 1, 2017, notice of non-renewal effective January 1, 2018 for reason that, "The insured no longer meets underwriting guidelines due to unfavorable loss experience", Third Amended Complaint in the underlying matter of Dennis Cosby, Eugene Cosby and Terry R. Mayes v. Grant Plaza, et al., and Third Party Complaint in the matter of Z&D Realty, LLC v. Biondi Insurance Agency, Inc., and Anatoly Sakhan.

5. Based upon my review and understanding of the underlying transactions in arranging and renewing certain insurance coverage on behalf of Z&D Realty, it is my opinion that there exists a reasonable probability that the skill, care, knowledge and diligence exercised by Third Party Defendants, Biondi Insurance Agency and Anatoly Sakhan fell outside acceptable standards of care of insurance producers when acting under facts and circumstances similar to those present here.
6. I have no financial interest in the outcome of the matter under review.

1 Dated this 22nd of May 2019.
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7 James R. Klagholz, CPCU
8 Clayton N. Sterling Associates, Inc.
9 1712 Boulevard
10 Seaside Park, NJ 08752
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13 Sworn and subscribed
14 before me this 22nd day of
15 May, 2019
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19 KIMBERLY A. HAYES
20 NOTARY PUBLIC OF NEW JERSEY
21 My Commission Expires 4/30/2023
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